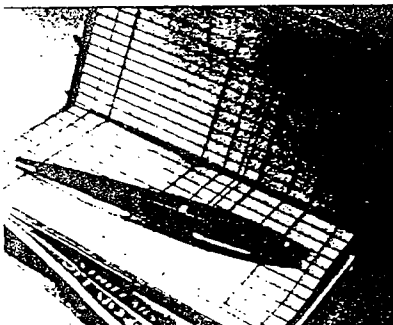


Aetna Handbook



Aetna is an "at-will" employer and makes no representation that employment with the company represents lifetime security or a guarantee of continued employment. While the company hopes that its employment relationship with its employees will be mutually enjoyable and lasting, employees may terminate their employment at any time, with or without cause or notice, and the company may do the same.

Any modifications of this arrangement must be in writing and must be signed by the chairman of Aetna or the senior vice president, Aetna Human Resources, or his or her designee.

These guidelines are not intended to create, nor should they be interpreted to be, a contract or agreement of any type between the company and any employee. The information contained herein can be changed, in whole or in part, at any time, with or without notice.

The *Aetna Handbook* applies to U.S.-based employees only.

Introduction

Aetna's success depends greatly on the quality, commitment and dedication of its employees. As we look to the future, we must continue to build a work force that will enable the company to be a leader in its various businesses.

An important part of that effort is the development of human resources policies and programs that support the needs of employees while remaining consistent with Aetna's business goals. As an Aetna employee, you have a responsibility to understand and comply with those policies and to understand how they affect the way you perform your job.

This *Aetna Handbook* outlines many of the policies and programs you will encounter in the course of your employment. We have designed this publication to cover a variety of important topics, such as equal opportunity, affirmative action, attendance, vacation, standards of conduct, as well as information on Aetna's job posting and pay programs. If, after reviewing it, you have additional questions, you should speak with your manager, Human Resources contact, or the HR Help Line. You also can refer to other sources of information, such as the *Employee Benefits Handbook and Summary Plan Descriptions* (referred to hereafter as the *Benefits Handbook*) and the AHRNet* on the Aetnet.

Whether you are a new or veteran Aetna employee, we hope you will find the *Aetna Handbook* a useful reference tool.

* The AHRNet is Aetna Human Resources' home page on the company's intranet (Aetnet). To access AHRNet, select it from Aetnet's menu of key intranet sites. The AHRNet version of the *Aetna Handbook* (available in the first quarter of 1997) includes links to related material in the *Employee Benefits Handbook*, *Personnel Policies and Programs (PP&P)* and other reference material.

Aetna's Vision/Your Role

As an employee of Aetna, you'll be instrumental in furthering the company's goals, vision and reputation for excellence and integrity.

Aetna is a leading provider of products that help its customers to live healthy and secure lives. Aetna offers best-value products, as well as information and expert advice.

It's through the knowledge, expertise and superior customer service skills of employees like you that Aetna is able to accomplish its goals and create value for customers and shareholders and opportunities for employees. Therefore, Aetna strives to create a diverse environment where each employee can excel and where each is valued and respected.

Aetna's policies and programs are designed to recognize you for the qualities that make you unique and to reward your contributions to Aetna's business success.

Your Role as an Employee

As an employee, you are expected to assume certain basic responsibilities, such as:

- coming to work, arriving on time and putting in a full workday;
- abiding by company and department standards of conduct, policies and work rules;
- cooperating with others in the course of company business;
- treating customers with respect;
- making a commitment to personal integrity and excellence in your job performance;
- treating co-workers with respect;
- making a commitment to your personal development; and
- working with your management to address problems or concerns.

Role of Your Manager

Your manager, as the person responsible for directing your work and administering Human Resources policies and procedures, should:

- treat all employees equitably and with respect;
- make employees aware of company and department standards of conduct, policies and work rules;
- make employees aware of job expectations and provide appropriate training to accomplish job functions;
- give recognition for work well done;
- provide constructive feedback; and
- assist employees with their development.



Questions/Problems

As happens in any relationship or job, from time to time there may be problems that need to be resolved or questions that need answering.

The most effective method for you to resolve a problem in the workplace is to have a discussion with your manager. Likewise, if you have a question about your job, or company policies, programs and procedures described in this handbook, ask your manager first. Because of the broad scope of your manager's job, he or she is in the best position to answer those questions. If your manager doesn't have the answer, he or she will either try to get the answer for you, or put you in contact with other sources within the company, such as higher level management, the HR Help Line, Human Resources contact or compliance officers.

Please note: If you believe you have been treated in a manner inconsistent with company policy, it is your responsibility to initiate steps to resolve the problem through a company process called Dispute Resolution. This will be discussed in more detail on page 11.

Code of Conduct

Commitment to doing business with the highest integrity is a long-standing Aetna value that has created a priceless asset – Aetna's reputation for excellence and trustworthiness. It is vital that every Aetna employee make a personal commitment to continuing this tradition by upholding the highest standards of ethical conduct and furthering the bond of trust Aetna has with its customers, all those with whom Aetna does business, and with each other. Integrity and compliance with our legal and regulatory obligations are good business practices and are key to Aetna's success.

Code of Conduct

Details of our ethical standards and legal obligations can be found in the Aetna *Code of Conduct* and other policy and compliance statements throughout the company. All employees are responsible for reading our *Code of Conduct* and understanding and abiding by the company standards of integrity and conduct in the following areas:

- conflicts of interest;
- use of company resources;
- fraud, dishonesty, or criminal conduct;
- safeguarding nonpublic, confidential or proprietary information;
- securities transactions;
- business and trade practices;
- government contracting;
- employment practices;
- dealing with outside people and organizations;
- internal controls;
- privacy;
- written communication; and
- intellectual property.

In many areas, employees may be required to sign a compliance form acknowledging that they have read and are in compliance with the *Code of Conduct*. If you have questions about the company's standards of conduct and compliance, contact your manager or compliance officer. Every business and staff area has a compliance officer who is responsible for assisting the company in achieving the highest compliance standards.

Compliance problems can and should be reported to your manager, compliance officer, the corporate compliance officer or internal legal counsel. Compliance is taken seriously at Aetna, and reports of potential non-compliance are reviewed carefully to determine the merits and facts. Confidentiality regarding both those who make reports and those potentially involved is maintained to the extent possible while bringing resolution to an issue. More important, however, Aetna does not tolerate retribution of any kind for reporting potential noncompliance. You also may anonymously report compliance problems. However, anonymous contacts may limit the company's ability to investigate and resolve problems.

Employees who fail to comply with the policies, procedures and standards of integrity contained in our *Code of Conduct* or other company policies and standards, or with statutes and regulations applicable to Aetna's business, may be subject to disciplinary action up to and including termination.

Work Environment

At Aetna, we strive to provide a work environment that is free of unlawful harassment and in which all employees are treated equitably and are given the opportunity, consistent with business needs, to achieve their potential.

Equal Opportunity

Aetna is an equal opportunity employer. It is Aetna's policy to provide equal opportunity to qualified individuals regardless of race, color, sex, national origin, citizenship, religion, age, disability, veteran status, sexual orientation, or marital status. This commitment to equal opportunity governs decisions related to all aspects of employment, including selection, development and compensation. All employees are to be treated in a manner free from discrimination based on the characteristics described above. All such discrimination by managers, co-workers, customers, suppliers, or others is prohibited.

As Aetna employees, we are expected to:

- treat other employees with respect and value their differences;

- not make offensive/insulting remarks to or about others in the workplace or while engaged in company business outside the workplace;
- not engage in harassment or unlawful discrimination;
- avoid slurs, epithets and jokes based on race, color, sex, national origin, citizenship, religion, age, disability, veteran status, sexual orientation, or marital status; and
- discuss any concerns about these issues with your manager, Human Resources representative or other appropriate company representative.

Retaliation, coercion, interference, intimidation and discrimination against an employee or applicant for filing a complaint or participating in an investigation are prohibited.

Affirmative Action

We at Aetna are committed to taking affirmative action to employ and advance minorities, women, individuals with disabilities, special disabled veterans, and veterans of the Vietnam era. We encourage self-identification by applicants and employees who have a disability, or are special disabled veterans or Vietnam-era veterans. Employees with disabilities may request reasonable work-related accommodations. Aetna will attempt to provide reasonable accommodations for employees with disabilities who are able to perform the essential functions of the job they seek or hold. Aetna also will attempt to provide reasonable accommodations during the selection process for applicants with disabilities.



Sexual Harassment

Aetna will not tolerate sexual harassment of an employee by any other Aetna employee, customer, client or business associate. Further, the company will not tolerate any employee's sexual harassment of another employee, customer, client, or other business associate.

Sexual harassment is unlawful and can involve a variety of unwanted, unwelcome and repeated behaviors, such as sexually suggestive statements or questions; offensive jokes; sexual innuendoes; offensive touching or patting; sexual bribery; displaying or showing sexually suggestive posters, calendars, cartoons, electronic mail, Internet web sites, etc. Aetna prohibits unwelcome sexual advances or requests for sexual favors and all other verbal or physical conduct of a sexual nature where:

- submission to such conduct is made explicitly or implicitly a term or condition of employment;
- submission to or rejection of advances affects employment decisions; or
- such conduct creates an intimidating, hostile or offensive work environment that unreasonably interferes with work performance.

As an Aetna employee, you are expected to report any instance of sexual harassment immediately to an appropriate company representative. Depending on the situation, you may want to report it to your manager, a more senior member of management or your Human Resources contact. You also are expected to cooperate fully with any investigation, whether you have reported being harassed, been accused of such behavior or witnessed behavior of this nature. Company policy prohibits retaliation against any individual who complains of sexual harassment or participates in an investigation of a sexual harassment complaint.

Violations of this policy are subject to discipline, up to and including termination.

Privacy

Aetna respects an individual's reasonable expectations of privacy regarding the collection, use and dissemination of employment information. Aetna is committed to ensuring that employee information collected, maintained and used is timely and accurate. Only authorized Aetna employees with a valid, work-related reason may have access to records the company has about you. Also:

- As an employee, you may obtain a copy of most records Aetna has about you, including access to your personnel file. If the records appear to be wrong, you may request that corrections be made. The changes will either be made or an explanation provided as to why the records can't be changed.
- Aetna's records about you will generally not be disclosed in individually identifiable form to people outside the organization without a valid legal or regulatory requirement, confidentiality agreement or your written authorization.
- Certain information identifying you by name may be disclosed without your authorization for verification of Aetna employment requested by outsiders.

Ask your Human Resources contact for assistance if you need access to a list of records generally maintained by the company and for information about why certain records may or may not be available.

Solicitation and Distribution

Aetna limits solicitation and distribution of literature on its premises. The company believes that such activity can interfere with its normal operations, impact performance and productivity, annoy customers, visitors and employees and possibly threaten security.

Solicitation or distribution of literature on company premises by anyone who is not an employee is prohibited. Any exception to this policy must be approved in advance by the senior vice president of Human Resources or his or her designee.

Solicitation by employees during working time is prohibited. In addition, an employee who is not working may not solicit an employee who is working. Solicitation includes the sale of merchandise, tickets, etc., and the seeking of contributions to charities or other organizations. Distribution of literature by employees is not permitted in work areas. Employees also may not use e-mail, voice-mail, the Internet (accessed through Aetna resources) or the company intranet for solicitation and distribution purposes.

Company-sponsored activities, such as the United Way/Combined Health Appeal, PAC, blood drive and savings bond solicitations are exempt from this policy. Other limited exceptions may be approved by the business head.

Positive Employee Relations

Aetna values the individual contribution each of its employees makes. In recognition of that contribution, Aetna has adopted a positive employee relations philosophy designed to provide each employee with dignity, respect and recognition. In fulfillment of this commitment, we have established compensation and benefit programs that are competitive with our industry and the areas in which we work. We have created a safe and healthy work environment. We have managers whose responsibility it is to treat employees with respect and to be available to listen to their legitimate complaints and concerns, to act on them and to respond in a timely manner. Our objective is to create an issue-free workplace where employees can focus their efforts and creativity on the challenges and objectives we face together in our highly competitive businesses. We firmly believe that by working directly with employees, we can further our mutual goals of positive employee relations and an issue-free workplace.

At Work

As an employee, you will want to be aware of and follow certain policies and programs to ensure your success at Aetna. Those include such things as attendance, work schedules and the Job Posting Program, among others.

Attendance/Lateness

As you know, good attendance habits are critical to Aetna's and your business success. They ensure optimum productivity and excellent customer service. Therefore, each department or office has its own policy and standards for acceptable attendance based on its business needs. Attendance standards can vary from area to area. Ask your manager about your department's attendance/lateness standards. Excessive absences/lateness could result in disciplinary action up to and including termination. The specific action your manager takes will depend on the severity of the problem.

The following are general attendance/lateness guidelines for all employees:

- Report to work each day on time according to scheduled hours.
- Be familiar with and abide by the department attendance/lateness guidelines.
- Promptly report any absence/lateness to your manager or another designated individual and provide the general reason for the absence, e.g., personal illness, family illness, family emergency.
- Understand that failure to report an absence properly or absences in excess of department guidelines may result in disciplinary action, up to and including termination.
- Understand that an unreported absence of three consecutive days or three days in any 12-month period may be deemed a voluntary resignation of your employment.

Workers' Compensation and Disability Income/Reporting

For both work- and nonwork-related illnesses or injuries, you may be covered by one of the company's disability income programs. If your injury or illness is work related, you may be covered by workers' compensation insurance. It provides compensation for medical bills and lost workdays for work-related injuries, illnesses or deaths.

You must follow the appropriate procedures for reporting both work- and nonwork-related illnesses and injuries in order to be eligible for benefits.

For information on disability income benefit eligibility and levels, as well as coordination with other applicable income, such as state disability or Social Security, see the *Benefits Handbook*.

Work Schedules

Just as attendance standards may vary from department to department, work schedules also may vary to meet business needs. Your manager determines the work schedule for your area and will discuss your individual schedule with you. Commonly used work schedules include fixed hours, staggered hours and flexible hours.

Flexible Work Arrangements

Aetna has a successful history of using flexible work arrangements to support business and employee needs. Flexible work arrangements can help to manage work more effectively, as well as attract and retain valuable employees. Both employees and management can request such an arrangement. If you're interested in learning more about a flexible work arrangement, ask your manager or Human Resources contact for

Aetna's Guide to Flexible Work Arrangements for more information. Your management makes the decision as to whether to grant or deny a request for a flexible work arrangement based on your area's business needs. Management reserves the right at any time, with reasonable notice, to change work schedules or flexible work arrangements.

Workplace Attire

Although Aetna doesn't have a formal company dress code, your manager will discuss with you the guidelines for appropriate workplace attire in your department or office. These guidelines are based on working conditions and the effect your attire will have on other employees, customers and the public. All employees' attire should be appropriate for the nature of their work and for a place of business.



Emergency Information

To ensure that you or your emergency contact can be reached in case of an emergency and that important mailings arrive at your home in a timely fashion, please notify your manager of any changes to your home and/or mailing address. Also, give him or her any change to a telephone number where you can be reached during nonworking hours, and the name and telephone number of the person you would like notified in case of an emergency at work.

Personal Mail/Telephones

As an Aetna employee, you'll have access to company telephones, stationery and electronic mail. To ensure they're used effectively for business purposes, please follow these guidelines:

Personal Mail

- Have all personal mail sent to your home address.
- Do not use the company mail – including electronic mail and other electronic media accessed on company equipment such as the Internet – for personal solicitation or canvassing. This includes sending chain letters.
- Use company stationery for company business only. Please note that use of Aetna stationery to express

personal or political views is a violation of the company's *Code of Conduct*.

Telephones

- In the event of an emergency, make sure you have provided a family member or friend with a work number where you can be reached during business hours.
- Keep incoming and outgoing personal calls to a minimum so that business calls can be handled promptly.
- Do not charge personal long distance or toll calls to Aetna (unless your area allows it, provided you make prompt repayment).
- Inappropriate use of company telephones or telecommunications equipment could result in disciplinary action up to and including termination.

Children in the Workplace

Children may enter a company facility only when accompanied by an adult. Visits should be limited to company-sponsored events, lunch, etc. In rare situations, and only with prior approval of your management, children may come into the workplace at other times during the business day. It is management's discretion to limit/deny such a request.

Covenants

Certain company employees, because of the positions they hold, may be required to sign restrictive covenants for cooperation, nondisclosure, nonsolicitation and noncompetition. Your manager and/or Human Resources contact will discuss this requirement with you, if applicable.

Job Posting Program

If at some time in your employment with Aetna you would like to seek other internal employment opportunities, you may take advantage of the Aetna Job Posting Program. It's a program that allows employees to take charge of their career development and provides managers with a cost-effective process for identifying and recruiting qualified internal candidates for open positions.

Job Posting Bulletin

When an open position is not filled with someone from within the department, or the hiring manager wants to consider additional candidates, the position can be listed in the *Job Posting Bulletin*, which is available in paper or electronic form (via the Aetna intranet, see *jobLink*) as well as on the MS Mail system in a shared folder.

The *Job Posting Bulletin* contains up-to-date information on eligibility requirements, open positions, manager and employee responsibilities and other guidelines.

Nepotism

Aetna applicants and employees cannot be considered for job openings where they will be supervised, directly or indirectly, by a relative or someone with whom they have a personal or dating relationship. Likewise, no one may report, directly or indirectly, to a relative or someone with whom they have a personal or dating relationship. Doing so may affect the manager's ability to supervise effectively or may be perceived by co-workers as supervising unfairly. All individuals involved must report such relationships to the manager above the level at which the relationship exists, or to their compliance officer or Human Resources contact.

Second Jobs

You must obtain approval from your manager and compliance officer before accepting additional employment inside or outside the company for two reasons. First, you must avoid employment or any outside activity that presents a conflict of interest, or even the appearance of a conflict, related to the company or your job responsibilities.

Second, you and your manager need to assess whether this additional employment opportunity will interfere with your ability to meet your job responsibilities (e.g., availability for overtime, travel).

As an employee, you may not pursue any activities related to a second job or personal business or interest using Aetna resources or during company work hours, including solicitation of company employees, customers, vendors, etc.

Issue Resolution

If you have questions or concerns related to how you've been treated under company personnel policies and programs, or if your manager sees a problem with your performance or attendance that could have severe consequences, Aetna has developed two processes to help – Dispute Resolution and Corrective Action.

These processes and descriptions of the processes are not intended to create, nor should you interpret them to create, any contractual rights or obligations. Management may tailor or change the processes to fit particular circumstances.

Dispute Resolution

The Resolution process provides you with a forum for resolving questions or concerns related to your individual treatment under company personnel policies and programs (not issues involving the appropriateness of the policy itself). Issues may include, among others, concerns about performance, attendance, corrective action, termination and issues dealing with equal opportunity or allegations of discriminatory treatment. Allegations of various types of misconduct, such as sexual harassment or *Code of Conduct* violations, aren't handled through the Resolution process, but are addressed through other processes. However, disciplinary action taken in response to misconduct can be appealed through Resolution.

This process is available to current employees, former employees – up to 13 weeks from the last day worked – applicants and Aetna temporary employees, excluding current and former employees who have released the company from employment-related claims.

If you have a problem concerning treatment under company personnel policies and programs, in most situations, try to resolve it first with your manager. If that's not successful, you may initiate the Resolution process by documenting your concern in writing. For more detailed information

on the specific steps in this process, see your manager or Human Resources contact.

Corrective Action

High-performing employees are critical to any company's mission. Therefore, Aetna has a corrective action process that generally provides employees with an opportunity to correct performance or attendance problems before they become severe enough to result in termination. There are situations, such as violation of company policy, where the corrective action process will not apply (see page 18). If you're an employee with more than a year of service, the corrective action process generally consists of two formal steps – written warning and probation. If you are a new employee with 12 months or less of service, the process generally consists of one step – probation only.



When is corrective action used?

There are a variety of work-related problems that could result in corrective action, including:

- unsatisfactory job performance (quality, quantity, work habits);
- poor interpersonal skills that adversely affect customer relations or unit operations; or
- excessive, unexcused/unprotected absences or chronic lateness, as defined by area attendance guidelines.

Many of these problems are resolved through performance feedback, coaching, training and/or other informal corrective measures. If work problems remain unresolved, however, the corrective action process is often the next course of action. In some circumstances, a manager also may begin the corrective action process without prior informal actions or discussions.

What happens during corrective action?

During the steps of corrective action, your manager will meet with you to discuss:

- what the work problems are and what improvements are expected of you;
- time frames for demonstrating improvement (usually communicated as the start and end dates of written warning or probation); and
- the consequences you can expect if improvement does not occur and/or if your performance deteriorates further during the corrective action process.

Your manager will document these and other key points in a memo to you. He or she also may suggest that you consider contacting the Employee Assistance Program (EAP). It's your option to decide whether to access EAP's services, but you may find EAP to be a valuable resource to help identify and resolve any personal issues that may be impacting your job performance or attendance.

At the end of each of the corrective action steps, your manager will determine whether you've demonstrated expected improvements. If you've been successful, the corrective action process usually ends at this point. If the same or similar problems recur, however, your manager may elect to return you to the corrective action process at the next step – which could result in termination if you had already been on probation.

Pay Program

Aetna's pay program is an investment in its most important asset – its employees. Along with its benefits, training and development programs, Aetna's pay program helps attract, motivate and reward the high-quality employees it needs to be a successful company. To meet the needs of a changing business, Aetna's pay program has been designed to be competitive, open and flexible.

Pay

Aetna wants to pay a salary that is both competitive with salaries for similar jobs in other companies and appropriate in relation to your co-workers. To ensure Aetna's competitiveness, we conduct surveys to see what other companies are paying employees with similar responsibilities. We also compare jobs within the company to ensure that people with comparable responsibilities are paid within the same general range of pay.

Job Value System

Aetna's compensation system is called the Job Value System (JVS). JVS provides a simplified framework that defines work as broadly and generically as possible. It's a job family structure that describes work by the functions performed and the skills and competencies required to achieve organizational success.

JVS also provides market reference information (MRI) that links Aetna's job families with competitive pay information for similar jobs in the market. Managers have flexibility and accountability for making pay decisions based on what's most critical: competent performance, employee contribution to results, affordability, internal relativity and the market value of the job.

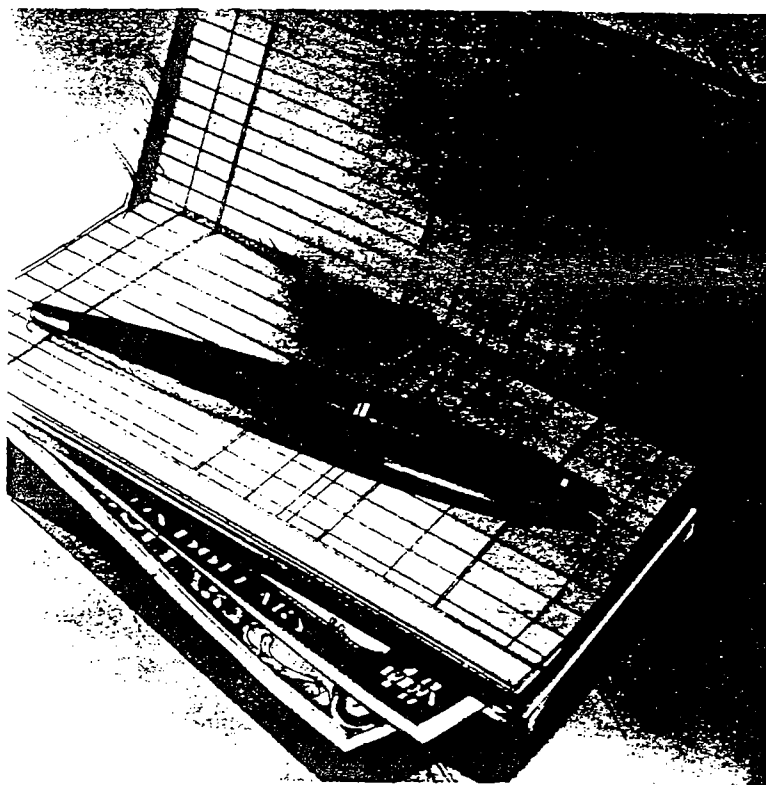
Overtime

As an employee of Aetna, there will be times when you'll be requested to work overtime. When possible, the need for overtime will be discussed in advance so you can plan accordingly. However, advance notice will not always be possible.

For some jobs at Aetna, overtime is mandatory and refusal to work overtime can result in disciplinary action.

Compensation for overtime

Aetna pays overtime in accordance with federal and state wage and hour laws. The Fair Labor Standards Act (FLSA) distinguishes between employees eligible to be paid for overtime (nonexempt) and those who aren't eligible (exempt) based on the nature of their work and the wages paid to them. Information on the nonexempt/exempt status of your position can be found on your employee profile.



Nonexempt employees

If you're a nonexempt employee, you are not permitted to work overtime without management authorization. Nonexempt employees must be paid for all hours worked on or off-site and may not waive their right to overtime compensation. Nonexempt employees are paid a straight rate of pay for all time actually worked up through 40 hours and no less than time and a half their regular rate for all hours actually worked beyond 40 hours in an established workweek. In some locations, there may be state overtime laws/regulations that are more stringent.

Exempt employees

If you are an exempt employee, you aren't eligible for overtime pay. Exempt employees are generally expected to work beyond their ordinary work schedules from time to time. A manager, at his or her discretion, can recognize an exempt employee for working a significant amount of overtime by granting bonus pay or compensatory time off.

Reporting overtime worked

Nonexempt employees must accurately track their time worked. Your manager will explain how to report your hours worked. Misconduct related to time reporting (e.g., punching a time clock for someone else or misrepresenting hours worked) is subject to disciplinary action up to and including termination. Time reports must be retained for three years in your personnel file.

Paycheck Information

Employees who use the convenient Automatic Payroll Deposit feature will receive a pay statement and all other employees will receive a negotiable paycheck. Pay statements and paychecks are both distributed via your organization's "paymaster" or your manager. If you're going to be absent on payday, you can ask your manager to place your paycheck/statement in a secure location until you return to work, or request that the paycheck/statement be mailed to your home address. Temporary employees will receive their paycheck/statement at their home address.

Mandatory and voluntary deductions

Aetna is legally required to withhold taxes and garnishments, where applicable, from employees' wages. In addition, employees may pay for benefits, products and services through payroll deduction. The pay statement contains captions that cite the deductions made.

Wage garnishment

Wage garnishments are court orders that legally require the company to withhold money from an employee's wages. Payroll Services will notify you directly and set up procedures for deductions if it is ordered to institute a garnishment against your wages. Payroll Services must receive a copy of any agreements between the employee and the creditor that would change the handling of the garnishment as ordered by the court.

Obtaining your final paycheck

If you resign and give two weeks' notice, or if your employment is terminated, you'll receive your final paycheck on your last day of employment or when legally required. If you don't give sufficient notice, you'll receive your paycheck in the mail as soon as possible after your last day of work (or when legally required). The final paycheck is not automatically deposited; all employees will receive a negotiable paycheck.

For more information

Payroll-related inquiries or questions should be directed to the HR Help Line at 273-9000, or 1-800-AETNAHR.

Time Away from Work

As an employee of Aetna, you may be eligible for time away from work in the form of vacation, holidays, discretionary days, and family and medical leave – including time off for work- and nonwork-related injuries and illnesses.

Vacations

If you're a regular employee, you receive paid vacation days. The number of vacation days you receive is based on your length of service with the company and the number of days you work per week. The vacation year runs from January 1 through December 31.

You accrue vacation days at these rates:

Service	Days (5-day workweek)
<3 years	10 days (1 day per month)
3-9 years	15 days (1.5 days per month)
10-24 years	20 days (2 days per month)
25+ years	25 days (2.5 days per month)

There is no vacation accrual in November and December.

If you're a new or rehired employee, you'll earn a vacation day for your first month here if you begin work on or before the 15th of the month, January through October.

Hired On or Before	Days
January 15	10 days
February 15	9 days
March 15	8 days
April 15	7 days
May 15	6 days
June 15	5 days
July 15	4 days
August 15	3 days
September 15	2 days
October 15	1 day

Vacation plays an important role in the wellness, productivity and creativity of each of us. Be sure to schedule and use your full amount of vacation each year. When planning your vacation, get management approval well in advance. Some departments ask employees to complete a vacation schedule months in advance of their actual vacation.

For detailed information on vacation benefits, including an accrual cap and carryover rules, refer to the *Benefits Handbook*.

Holidays and Discretionary Days

Regular employees scheduled for five days per week usually get time off with pay for 11 holidays/discretionary days. Of these 11 days, Aetna generally closes for eight designated holidays as announced before the start of each new year. If you work a schedule that is less than five days a week, see your manager to determine the number of paid holidays you'll receive and which holidays you'll select.



You can use the remaining three days at your discretion to cover holidays that Aetna has not designated, observe religious holidays or for other special events. You should provide sufficient notice (generally at least two weeks) of your intention to take discretionary days. Discretionary days can't be carried over another year, borrowed or turned in for cash. (This rule may vary, depending on applicable state law.)

New or rehired employees on the payroll by March 31 and scheduled to work at least 15 hours a week will have three discretionary days to use during the calendar year. Those hired between April 1 and June 30 receive two discretionary days. Those hired between July 1 and September 30 receive one discretionary day. Employees hired after September 30 will receive no discretionary days until the following year.

Refer to your *Benefits Handbook* for more information.

Family and Medical Leave

If you have at least one year of service with Aetna and you've worked at least 1,000 hours in the prior 12 months, you may be eligible for a family or medical leave. Under Aetna's Family and Medical Leave (FML) policy, you're eligible for up to 16 weeks of leave in a rolling 12-month period, or, if greater, the period required under federal, state or local law.

If you're a regular employee working at least 15 hours a week with less than one year of service with Aetna, Aetna's FML policy provides that your position or an equivalent – will be held open for you when you return from a certified employee medical leave of up to 13 weeks in a rolling 12-month period.

If you're a regular employee with at least 6 months of service, you can receive up to three paid family illness days each calendar year. This time is meant to be used to assist with the care of a sick family member or other household member.

Refer to the *Benefits Handbook* for more information on eligibility, how to request a leave and pay/benefits implications. Your Human Resources contact can provide information on specific state or local laws.

Other Time Off

Refer to the *Benefits Handbook* for information on time off for other types of absences, such as jury duty, military leave, bereavement time, volunteer activities, etc.

Inclement Weather

Despite inclement weather conditions, company offices usually remain open on all scheduled workdays. In the event of extremely bad weather, the decision to close the office is made by the Weather Event Management Team for the Hartford area offices and by local management in field offices. As an employee, you may leave as soon as the company announces the decision to close the facility.

If a storm occurs before the start of the workday, listen to the business cancellations announced on local radio stations. Check with your manager to determine which stations to listen to in your area. If no cancellation has been announced, you should make every effort to report to work.

As an Aetna employee, you're expected to:

- come to work, unless travel will jeopardize your safety;
- notify your manager or another designated individual if you can't make it to the office or will be late; and
- ask your manager for permission, if you must leave early during inclement weather.

If the office opens late or closes early, employees will be paid for the entire day only if they have reported to work. If your area allows it, you may voluntarily use a vacation or discretionary day to cover an inclement weather absence.

Other Workplace Policies

Aetna is committed to maintaining a work environment for you and your co-workers that is safe and free from the harmful effects of smoking, alcohol and drugs, and has developed policies to ensure that commitment is sustained.

Safe Operations/Safety

Aetna strives to provide a safe and healthy work environment. As an employee, you play an important role in ensuring a safe work environment. You must abide by company and departmental safety rules, quickly report any on-the-job accident of yourself or others, and promptly report any unsafe conditions to your manager. The possession of weapons on company property or while performing company duties is not permitted. More details on this topic can be found in the *Aetna Safety Handbook*.

Smoking Policy

Aetna provides a smoke-free environment throughout all company facilities and permits smoking only in designated areas outside the building.

All employees share the responsibility to adhere to this policy and approach its enforcement in a cooperative way. Therefore, as an Aetna employee, you're expected to:

- comply with the nonsmoking policy throughout all of Aetna's facilities;
- use only designated areas outside the buildings for smoking; and
- inform guests of Aetna's smoking policy.

Noncompliance with this policy will be handled in the same manner as a violation of any other company policy.

A copy of the company smoking policy can be obtained from your manager or Human Resources contact. If you have questions about the location of a smoking area at your facility, please discuss it with your manager.

Drugs/Alcohol

The unlawful or inappropriate manufacture, distribution, dispensation, possession, use, transfer, solicitation, purchase or sale of alcoholic beverages or controlled substances (or other drugs) on company premises or while engaged in company business off company premises is strictly prohibited. Violation of this policy is grounds for termination without prior warning. Special provisions may apply if you perform safety-sensitive functions.

As an Aetna employee, you're expected to report for work free from the effects of drug or alcohol use, and be able to fully perform your work duties.

An employee whose actions suggest that he or she is under the influence of alcohol and/or drugs will not be allowed to remain in the workplace. If a drug test is required and an employee refuses to consent to the test, he or she may voluntarily resign or face termination for insubordination.

Employees who test positive for illegal drugs or the misuse/abuse of legal drugs will have an opportunity to enroll in an approved medical/counseling treatment program, unless they have engaged in the unlawful or inappropriate manufacture, distribution, dispensation, possession, use, transfer, solicitation, purchase or sale of controlled substances (or other drugs) on company premises or while engaged in company business off company premises. Employees who test positive and refuse to enroll in the treatment program will be terminated.

Federal law requires an employee who is convicted of any crime related to controlled substances (including pleas of no contest) to inform his/her manager within five days of the conviction or plea.

Drug and alcohol testing is conducted for all Aetna Commercial Motor Vehicle (CMV) drivers, in compliance with state and federal regulations.

The Employee Assistance Program (EAP) offers assessment, counseling and referral services for alcohol- and/or drug-related problems.

Pre-employment Drug Testing

As a condition of employment, you must successfully complete a drug test prior to the first day of employment. Drug testing is required of every external hire who has not been an Aetna employee in any capacity within the past 12 months. An applicant whose drug test results are unacceptable may not reapply for employment until six months from the date of the initial test.

Utilization and Protection of Company Resources

All employees are responsible for maintaining the strictest confidentiality regarding information about applicants, employees, customers and shareholders.

As an Aetna employee, you're responsible for the proper use and care of company assets and resources, such as:

- equipment used to perform job duties, e.g., computer hardware and software, copiers, furniture, office supplies and telecommunication system;
- intellectual property, e.g., writings, blueprints, audio and videotapes;
- strategic and business-related information, e.g., business plans; and
- access cards/codes, keys, credit cards, calling cards and passwords.

Employees are expected to use company assets for company purposes only unless authorization for other uses is obtained in advance. Private use of company resources for personal benefit or gain is prohibited.

Aetna reserves the right to inspect company-owned property and storage units at any time to determine whether company policies, procedures and standards are being complied with, to determine whether inappropriate or unethical conduct has been engaged in and to provide services and obtain information when the individual(s) generally utilizing the property or storage unit is not available. Company-owned property includes desks, file cabinets, computer files, electronic mail, etc.

Aetna also reserves the right to monitor its Internet resources to ensure appropriate use.

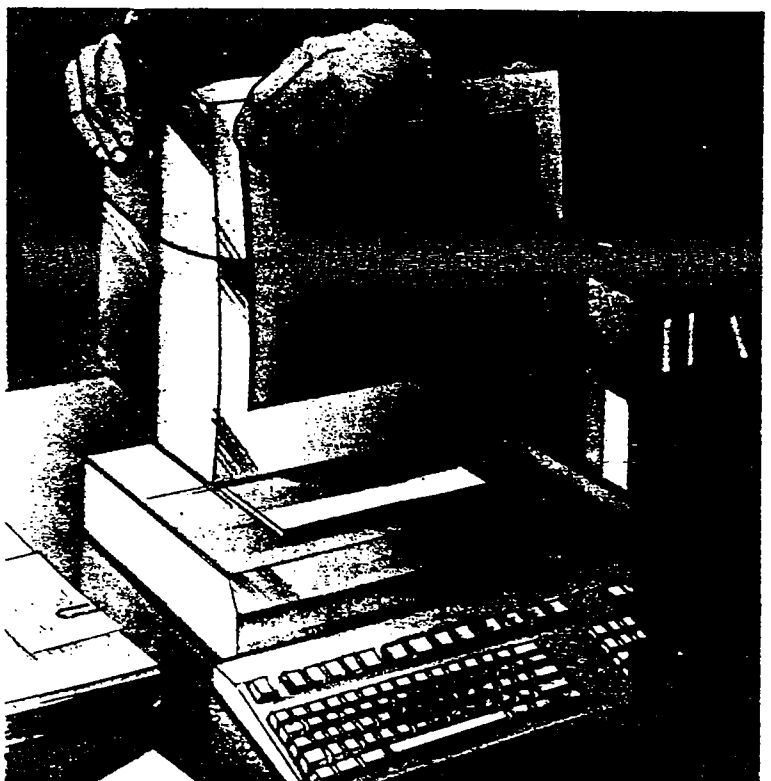
Improper use of company resources should be reported to your manager, compliance officer or Internal Audit/Special Investigative Services. Such use may result in disciplinary action up to and including termination.

Violations of Company Policies and the Law

Either while on company premises or engaged in company business off company premises, employees whose actions or behaviors violate company or department policy, or are illegal, may be subject to disciplinary action up to and including termination.

Below are some examples of situations where disciplinary action up to and including termination may be warranted:

- insubordination, such as refusing to comply with, or intentionally failing to carry out, management's reasonable work-related requests or instructions;
- vandalism, such as deliberately destroying or damaging private or company property, spoiling or hiding work or wasting materials;
- disorderly conduct or disruptive behavior, e.g., profane language or yelling;



- possession of weapons on company property or while performing company duties, i.e., on your person, in your vehicle, in company-owned or leased vehicles;
- threats or acts of violence;
- breaking security rules, such as entering a limited access area without authorization;
- violating corporate compliance policies and statements, including the *Code of Conduct*;
- violating published office, department or company work rules;
- fraud, dishonesty, criminal conduct or unethical conduct;
- theft of employee or company property, information and resources;
- harassment, e.g., sexual/ethnic/racial/religious or other slurs communicated in person, in writing or by other means;
- violating the Drug/Alcohol policy;
- gambling on company premises or while engaged in company business off company premises;
- misuse of company property and resources, e.g., intellectual, equipment, systems and telecommunications facilities;
- falsifying records or providing false information about work-related items; and
- surreptitious and/or nonconsensual tape recording of conversations or meetings.

Conviction of a crime does not automatically disqualify an individual from employment with the company. In general, convictions of crimes involving violence, dishonesty or sex-related offenses are most likely to impact your employment. The Violent Crime Control and Law Enforcement Act of 1994 prohibits individuals who have been convicted of one or more felonies involving dishonesty or breach of trust from engaging in the business of insurance without an insurance regulator's written consent. It is also illegal to knowingly permit such a felon to engage in the business of insurance without this written consent. This applies to applicants and employees.

All known or suspected violations of this nature should be reported to your Human Resources contact and/or Internal Audit/Special Investigative Services.

Termination

While the company hopes that its employment relationship with its employees will be mutually enjoyable and lasting, employees may terminate their employment at any time, with or without cause or notice, and the company may do the same. Information on benefits, severance and salary continuation eligibility and salary deductions is available to employees who leave the company, whether they leave voluntarily or involuntarily.

When your employment is terminated you should:

- provide a written resignation when terminating voluntarily;
- return any ID card, parking identification permit, keys, computer equipment, records, documents and other company property in your possession;
- complete the appropriate forms, which permit the company to release specific information to prospective employers and others;
- contact the HR Help Line regarding group insurance continuation and other benefits; and
- pay any outstanding debts to appropriate departments.

Employees may not take any confidential/proprietary information and company property with them upon termination, or use such information/property when employed by another company.

After you leave, the company will supply detailed references to new or prospective employers only if you have authorized us to do so by completing the appropriate forms, or if we receive an appropriate signed authorization from a prospective employer. Otherwise, in response to a request identifying you by name, we will verify only that you were an employee, the dates of your employment, your title or position and the nature of your job duties.

In Conclusion

Aetna is a growth company committed to meeting the needs of its customers, shareholders and employees. Its policies and procedures have been developed to ensure that it's able to meet its business goals through the efforts of its dedicated employees.

We hope that whether a new or continuing employee, your experience with Aetna will be a rewarding and an enriching one.



Acknowledgment of Receipt of *Aetna Handbook*

I acknowledge that I have received a copy of the *Aetna Handbook* (published in 1997). This handbook contains a summary of many of Aetna's policies and programs.

Print Name: _____

Employee Signature: _____

Date Signed: _____

Give the signed Acknowledgment Receipt to your manager for retention in your personnel file.

Etna